

the customer's side of the demarcation point).

An intrasystem does not include property, plant or equipment which are not solely dedicated to its operation.

Minor items, as applied to depreciable telecommunications plant, means any part or element of such plant, which when removed, (with or without replacement) does not initiate retirement accounting.

Original cost or *cost*, as applied to telecommunications plant, rights of way and other intangible property, means the actual money cost of (or the current money value of any consideration other than money exchanged for) property at the time when it was first dedicated to use by a regulated telecommunications entity, whether the accounting company or by predecessors.

For the application of this definition to property acquired from predecessors see §32.2000(b)(1) of subpart C. Note also the definition of Cost in this section.

Plant retired means plant which has been removed, sold, abandoned, destroyed, or otherwise withdrawn from service.

Retirement units, as applied to depreciable telecommunications plant, means those items of plant which when removed (with or without replacement) cause the initiation of retirement accounting entries.

Salvage value means the amount received for property retired, if sold, or if retained for reuse, the amount at which the material recovered is chargeable to Account 1220, Material and Supplies, or other appropriate account.

Straight-line method, as applied to depreciation accounting, means the plan under which the cost of property is charged to operating expenses and credited to accumulated depreciation through equal annual charges as nearly as may be during its service life.

Subsidiary record means accumulation of detailed information which is required by this Commission to be maintained in support of entries to the accounts.

Subsidiary record categories means those segregations of certain regulated costs, expenses and revenues which must be maintained and are subject to

specific reporting requirements of this Commission.

Subsystems, parallel mechanisms means processes or procedures which augment the use of a chart of accounts in the financial operation of the entity. These subsystems operate on and/or process account and subsidiary record information for specific purposes.

Telecommunications means any transmission, emission, or reception of signs, signals, writing, images or sounds or intelligence of any nature by wire, radio, visual or other electromagnetic systems. This encompasses the aggregate of several modes of conveying information, signals or messages over a distance. Included in the telecommunications industry is the transmitting, receiving, or exchanging of information among multiple locations. The minimum elements required for the telecommunications process to occur are a message source, a transmission medium and a receiver.

Time of installation means the date at which telecommunications plant is placed in service.

Time of retirement means the date at which telecommunications plant is retired from service.

Tangible property means assets characterized by physical existence, such as land, buildings, equipment, furniture, fixtures and tools.

[51 FR 43499, Dec. 2, 1986, as amended at 61 FR 50245, Sept. 25, 1996; 62 FR 39778, July 24, 1997; 62 FR 51064, Sept. 30, 1997]

PART 36—JURISDICTIONAL SEPARATIONS PROCEDURES; STANDARD PROCEDURES FOR SEPARATING TELECOMMUNICATIONS PROPERTY COSTS, REVENUES, EXPENSES, TAXES AND RESERVES FOR TELECOMMUNICATIONS COMPANIES¹

Subpart A—General

Sec. 36.1 General.

¹The Commission has determined that the same jurisdictional separations used in the contiguous states are to be used for Alaska, Hawaii, Puerto Rico and the Virgin Islands. *Integration of Rates and Services*, Docket No.

Continued

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36.2 Fundamental principles underlying procedures.

Subpart B—Telecommunications Property

GENERAL

36.101 Section arrangement.
36.102 General.

GENERAL SUPPORT FACILITIES

36.111 General.
36.112 Apportionment procedure.

CENTRAL OFFICE EQUIPMENT

36.121 General.
36.122 Categories and apportionment procedures.
36.123 Operator systems equipment—Category 1.
36.124 Tandem switching equipment—Category 2.
36.125 Local switching equipment—Category 3.
36.126 Circuit equipment—Category 4.

INFORMATION ORIENTATION/TERMINATION (IOT) EQUIPMENT

36.141 General.
36.142 Categories and apportionment procedures.

CABLE AND WIRE FACILITIES

36.151 General.
36.152 Categories of Cable and Wire Facilities (C&WF).
36.153 Assignment of Cable and Wire Facilities (C&WF) to categories.
36.154 Exchange line Cable and Wire Facilities (C&WF)—Category 1—apportionment procedures.
36.155 Wideband and exchange truck (C&WF)—Category 2—apportionment procedures.
36.156 Interexchange Cable and Wire Facilities (C&WF)—Category 3—apportionment procedures.
36.157 Host/remote message Cable and Wire Facilities (C&WF)—Category 4—apportionment procedures.

AMORTIZABLE ASSETS

36.161 Tangible assets—Account 2680.
36.162 Intangible assets—Account 2690.

TELECOMMUNICATIONS PLANT—OTHER

36.171 Property held for future telecommunications use—Account 2002; Telecommunications plant under construction—Account 2003; and Telecommunications plant adjustment—Account 2005.

21263, 87 FCC 2nd 18 (1981); *Integration of Rates and Services*, Docket No. 21264, 72 FCC 2nd 699 (1979).

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RURAL TELEPHONE BANK STOCK

36.172 Investment in nonaffiliated companies—Account 1402.

MATERIAL AND SUPPLIES AND CASH WORKING CAPITAL

36.181 Material and supplies—Account 1220.
36.182 Cash working capital.

EQUAL ACCESS EQUIPMENT

36.191 Equal access equipment.

Subpart C—Operating Revenues and Certain Income Accounts

GENERAL

36.201 Section arrangement.
36.202 General.

OPERATING REVENUES

36.211 General.
36.212 Basic local services revenue—Account 5000.
36.213 Network access services revenues.
36.214 Long distance message revenue—Account 5100.
36.215 Miscellaneous revenue—Account 5200.
36.216 Uncollectible revenue—Account 5300.

CERTAIN INCOME ACCOUNTS

36.221 Other operating income and expenses—Account 7100.
36.222 Nonoperating income and expenses—Account 7300.
36.223 Interest and related items—Account 7500.
36.224 Extraordinary items—Account 7600.
36.225 Income effect of jurisdictional rate-making differences—Account 7910.

Subpart D—Operating Expenses and Taxes

GENERAL

36.301 Section arrangement.
36.302 General.

PLANT SPECIFIC OPERATIONS EXPENSES

36.310 General.

NETWORK SUPPORT/GENERAL SUPPORT EXPENSES

36.311 Network support expenses—Account 6110 and general support expenses—Account 6120.

CENTRAL OFFICE EXPENSES

36.321 Central office expenses—Accounts 6210, 6220, and 6230.

INFORMATION ORIENTATION/TERMINATION EXPENSES

36.331 Information origination/termination expenses—Account 6310.

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CABLE AND WIRE FACILITIES EXPENSES

- 36.341 Cable and wire facilities expenses—Account 6410.

PLANT NONSPECIFIC OPERATIONS EXPENSES

- 36.351 General.

PLANT EXPENSES—OTHER

- 36.352 Other property plant and equipment expenses—Account 6510.

NETWORK OPERATIONS EXPENSES

- 36.353 Network operations expenses—Account 6530.
36.354 Access expenses—Account 6540.

DEPRECIATION AND AMORTIZATION EXPENSES

- 36.361 Depreciation and amortization expenses—Account 6560.

CUSTOMER OPERATIONS EXPENSES

- 36.371 General.
36.372 Marketing—Account 6610.
36.373 Services—Account 6620.
36.374 Telephone operator services.
36.375 Published directory listing.
36.376 All other.
36.377 Category 1—Local business office expense.
36.378 Category 2—Customer services (revenue accounting).
36.379 Message processing expense.
36.380 Other billing and collecting expense.
36.381 Carrier access charge billing and collecting expense.
36.382 Category 3—All other customer services expense.

CORPORATE OPERATIONS EXPENSE

- 36.391 General.
36.392 Executive and planning—Account 6710, and general and administrative—Account 6720.

OPERATING TAXES

- 36.411 Operating taxes—Account 7200.
36.412 Apportionment procedures.

EQUAL ACCESS EXPENSES

- 36.421 Equal access expenses.

Subpart E—Reserves and Deferrals

- 36.501 General.
36.502 Other jurisdictional assets—Net—Account 1500.
36.503 Accumulated depreciation—Account 3100.
36.504 Accumulated depreciation—Property held for future telecommunications use—Account 3200.
36.505 Accumulated amortization—Tangible—Account 3400, accumulated amortization—Intangible—Account 3500, and

accumulated amortization—Other—Account 3600.

- 36.506 Net current deferred operating income taxes—Account 4100, Net noncurrent deferred operating income taxes—Account 4340.

- 36.507 Other jurisdictional liabilities and deferred credits—Net—Account 4370.

Subpart F—Universal Service Fund

GENERAL

- 36.601 General.

DATA COLLECTION

- 36.611 Submission of information to the National Exchange Carrier Association (NECA).

- 36.612 Updating information submitted to the National Exchange Carrier Association.

- 36.613 Submission of information by the National Exchange Carrier Association.

CALCULATION OF LOOP COSTS FOR EXPENSE ADJUSTMENT

- 36.621 Study area total unseparated loop cost.
36.622 National and study area average unseparated loop costs.

CALCULATION OF EXPENSE ADJUSTMENT—ADDITIONAL INTERSTATE EXPENSE ALLOCATION

- 36.631 Expense adjustment.

TRANSITIONAL EXPENSE ADJUSTMENT

- 36.641 Transition.

Subpart G—Lifeline Connection Assistance Expense Allocation

- 36.701 General.

DEFINITIONS

- 36.711 Lifeline connection assistance.

TELEPHONE COMPANY ELIGIBILITY

- 36.721 Telephone company eligibility for lifeline connection assistance expense allocation.

DATA COLLECTION

- 36.731 Submission of information to the National Exchange Carrier Association.

CALCULATION OF LIFELINE CONNECTION ASSISTANCE EXPENSE ADJUSTMENT

- 36.741 Expense adjustment.

APPENDIX—GLOSSARY

AUTHORITY: 47 U.S.C. Secs. 151, 154 (i) and (j), 205, 221(c), 254, 403 and 410.

SOURCE: 52 FR 17229, May 6, 1987, unless otherwise noted.